

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Nanci E. Langley, Vice Chairman;
Mark Acton;
Tony Hammond; and
Robert G. Taub

Competitive Product Prices
Inbound Air Parcel Post (at UPU Rates)
(MC2010-11)

Docket No. CP2012-32

NOTICE AND ORDER CONCERNING CHANGES IN RATES
FOR INBOUND AIR PARCEL POST AT UPU RATES

(Issued June 13, 2012)

Notice of filing. On June 11, 2012, the Postal Service filed a notice, in accordance with 39 CFR 3015.5, announcing changes in rates not of general applicability for Inbound Air Parcel Post at Universal Postal Union (UPU) rates.¹ The intended effective date is July 1, 2012. *Id.* at 1. The timing of the filing comports with the requirement, in rule 3015.5, that notice of this type of rate change be submitted at least 15 days before the effective date.

¹ Notice of the United States Postal Service of Filing Changes in Rates Not of General Applicability and Application for Non-Public Treatment of Materials Filed Under Seal, June 11, 2012 (Notice). No classification changes are involved. Notice at 2.

Description of product and approach to rates. Air parcels are inbound parcels eligible to receive transportation by air, as opposed to surface. *Id.*, Attachment 1 at 1. The rates apply when there is no contractual relationship with the tendering postal operator. The Postal Service asserts that the rates presented here comport with the controlling Governors' Decision No. 09-15 because they are the highest possible inward land rates for which the United States is eligible based on inflation increases and other factors. Notice at 1-2.

Contents of Notice. The Notice incorporates by reference the Postal Service's explanation of Inbound Air Parcel Post (at UPU Rates) provided in the initial dockets established for consideration of (i) the addition of this product to the competitive product list and (ii) the appropriate ratesetting mechanism.² Notice at 2. It includes the following attachments:

- Attachment 1—an application for non-public treatment of certain data and Information, including notice of an alternative approach to identifying third parties with a known proprietary interest in the materials;
- Attachment 2—a redacted copy of Governors' Decision No. 09-15 (issued November 16, 2009) indicating three attachments relevant to it;
- Attachment 3—a redacted version of the new rates; and
- Attachment 4—a certification concerning certain cost and pricing matters, including representations regarding anticipated positive cost coverage for the individual product and the absence of cross-subsidy.

The Notice also includes the Postal Service's assertion that it has established that the new rates for Inbound Air Parcel Post (at UPU Rates) are in compliance with the requirements of 39 U.S.C. 3633(a)(2) and therefore has met its burden of providing notice to the Commission of changes in rates within the scope of Governors' Decision No. 09-15. *Id.* at 3.

² See *id.*, Attachment 2; Docket Nos. MC2010-11 and CP2010-11, Order No. 362, Order Adding Inbound Air Parcel Post at UPU Rates to Competitive Product List, December 15, 2009, at 8-9.

Related administrative matters. The Commission establishes Docket No. CP2012-32 for consideration of matters raised in the Notice. It has posted the public portions of the instant filing at <http://www.prc.gov>. Interested persons are encouraged to review the Notice, Attachments, and predecessor dockets (which are also available for review at the referenced website).

The Commission designates James F. Callow as the Public Representative to represent the interests of the general public in this proceeding. Interested persons may submit comments on whether the Postal Service's filings in this case are consistent with 39 U.S.C. 3632, 3633, and 39 CFR part 3015. Comments are due June 21, 2012.

It is ordered:

1. The Commission establishes Docket No. CP2012-32 for consideration of the matters raised in the Postal Service's June 11, 2012 Notice.
2. Comments by interested persons are due no later than June 21, 2012.
3. Pursuant to 39 U.S.C. 505, James F. Callow is appointed to serve as an officer of the Commission (Public Representative) to represent the interest of the general public in this proceeding.
4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Shoshana M. Grove
Secretary